of sub-section (1) and sub-section (2) of section 11 and section 13, being matters appealable to the Appellate Tribunal, shall not be subject to audit under this section.

(b) Does not arise in view of (a) above.

Corporatisation of Stock Exchanges

4169. SHRI YADLAPATI VENKAT RAO:
SHRIMATI VANGA GEETHA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to corporatise all Stock Exchanges;

(b) if so, the reasons therefor and by when it will be done; and

(c) the other steps proposed to be taken to maintain transparency in the market operations?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) With a view to improving institutional mechanisms and trading practices in the stock markets, Government proposes to demutualise all stock exchanges, by which ownership, management and trading membership would be segregated from each other. This would help towards:

- further professionalisation of the management of the exchanges and elimination of conflict of interests;
- improving adherence to the best practices of Corporate Governance;
- enhancing the ability of stock exchanges to raise funds from the market to modernise the exchanges and provide better investor service.

Government and the Securities and Exchange Board of India (SEBI) have initiated action in this regard.

(c) The other steps proposed include, *inter-alia*, appropriate strengthening of SEBI.